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SUBJECT: SEOUL - PRESS BULLETIN; August 27, 2009

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100 Elders to be Selected for Inter-Korean Family Reunion

DOMESTIC DEVELOPMENTS

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Red Cross officials from the two Koreas discussed possible dates for family reunions during yesterday's meeting at the Mt. Kumgang resort in North Korea. The ROK delegation proposed having 100 ROK people meet their families in the North between Sept. 27-29 and 100 North Koreans meet families in the ROK between Oct. 6-8. (All)

According to an August 24 opinion survey of 1,011 adults across the ROK, 62 percent of those polled favored a summit between President Lee Myung-bak and North Korean leader Kim Jong-il, irrespective of the North's nuclear issue. Furthermore, 61 percent favored the resumption of tours to Mt. Kumgang only after the North apologizes for the shooting death of an ROK tourist by a North Korean soldier.

(JoongAng)

According to Hyundai Group, Hyundai Asan, operator of tours to Mt. Kumgang and Kaesong in North Korea, is seeking to resume tours to the ancient city of Kaesong, located just north of the heavily-fortified Demilitarized Zone, around Sept. 14. (Dong-a)

#### INTERNATIONAL NEWS

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State Department Spokesman Ian Kelly said during an August 25 regular briefing: "We are fully aware that the North Koreans would like to have bilateral talks. But they are also fully aware of our position on this - that we will not have bilateral talks until they agree to return to the Six-Party Talks. We have no plans - Ambassador Bosworth has no plans, Ambassador Sung Kim has no plans - to go to North Korea." (All)

Chosun Ilbo carried an analysis that said that the Obama Administration rejected North Korea's overtures for dialogue because it believes that international sanctions against North Korea - led by Philip Goldberg, U.S. Coordinator for the Implementation of UN Security Council Resolution 1874 - are working.

#### MEDIA ANALYSIS

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-N. Korea

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All ROK media gave front-and inside-page attention to August 25 press remarks by State Department Spokesman Ian Kelly, in which he said: "We are fully aware that the North Koreans would like to have bilateral talks. But they are also fully aware of our position on this - that we will not have bilateral talks until they agree to return to the Six-Party Talks. We have no plans - Ambassador Bosworth has no plans, Ambassador Sung Kim has no plans - to go to North Korea. "

Conservative Chosun Ilbo described this as a U.S. rejection of North Korea's recent request for a visit to Pyongyang by Stephen Bosworth, the U.S. Special Representative for North Korea Policy.

Chosun also carried an analysis from Washington entitled "U.S. Cutting Off N. Korea's Sources of Money in China and Southeast Asia." It said that the Obama Administration rejected North Korea's overtures for dialogue because it believes that international sanctions against North Korea - led by Philip Goldberg, U.S. Coordinator for the Implementation of UN Security Council Resolution 1874 - are working. The analysis further observed: "By disclosing that Ambassador Bosworth has no plans (to go to North Korea) while stressing Mr. Goldberg's role, the U.S. State Department sent a message to both the ROK and North Korea: For the North, it stressed that the only way to have a dialogue is to return to the denuclearization process, and for the ROK, it expressed the Obama Administration's negative position on unconditionally resuming inter-Korean dialogue."

Right-of-center JoongAng Ilbo carried an August 24 opinion survey of 1,011 adults across the ROK, in which 62 percent of those polled favored a summit between President Lee Myung-bak and North Korean leader Kim Jong-il, irrespective of the North's nuclear issue. Furthermore, according to the survey result, 61 percent favored the resumption of tours to Mt. Kumgang only after the North apologizes for the shooting death of an ROK tourist by a North Korean soldier.

#### FEATURES

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"U.S. WILL NOT HAVE BILATERAL TALKS UNTIL NORTH KOREA AGREES TO RETURN TO SIX-PARTY TALKS"  
(Chosun Ilbo, August 27, 2009, page 1)

By Correspondent Lee Ha-won

On August 25, the U.S. administration rejected North Korea's request for a visit to Pyongyang by Stephen Bosworth, the U.S. Special Representative for North Korea Policy. North Korea has been making conciliatory gestures since early this month.

State Department Spokesman Ian Kelly said during an August 25 regular briefing, "We have no plans - Ambassador Bosworth has no plans, Ambassador (Sung) Kim has no plans - to go to North Korea."

When questioned whether the U.S. would not have bilateral talks unless North Korea agrees to restart the Six-Party Talks, Kelly said, "Right," hinting that Ambassador Bosworth's visit to Pyongyang will be made only after North Korea agrees to return to the Six-Party Talks.

U.S. CUTTING OFF N. KOREA'S SOURCES OF MONEY IN CHINA AND SOUTHEAST ASIA

(Chosun Ilbo, August 27, 2009, page 4)

By Correspondent Lee Ha-won

The U.S. State Department said officially on August 25, "We have no plans - Ambassador Bosworth has no plans, Ambassador (Sung) Kim has no plans - to go to North Korea," stressing North Korea's need to agree to the basic principle of returning to the Six-Party Talks and

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achieving denuclearization.

Previously, North Korea issued an invitation to Stephen Bosworth, the U.S. Special Representative for North Korea Policy to visit Pyongyang and extended a request for talks (with the U.S.) through New Mexico Governor Bill Richardson.

The Obama Administration rejected North Korea's overtures for dialogue because it believes that international sanctions against North Korea - led by Philip Goldberg, U.S. Coordinator for the Implementation of UN Security Council Resolution 1874 - are working.

Goldberg is in charge of coordinating the implementation of UNSC Resolution 1874 and has focused on choking off North Korea's financial transactions. A diplomatic source in Washington D.C. says Goldberg -- like Richard Holbrooke, U.S. Special Envoy to Afghanistan and Pakistan -- knows how to "twist the other's wrist" to attain his goal. Goldberg has repeatedly said that the U.S. will cut off North Korea's suspicious financial dealings with the outside world.

Goldberg has met with high-ranking officials and key figures from the financial sectors to emphasize the illegality and danger involving financial transactions with North Korea. The U.S. thoroughly verified information on the foreign banks suspected of dealing with North Korea in 2005 when the U.S. froze North Korean-related accounts - 25 million dollars - held in the Banco Delta Asia (BDA). In an interview with the Chosun Ilbo, William Newcomb, who had been involved in the BDA case, said that there were several other suspected banks in addition to BDA (at that time.)

Goldberg targets companies and financial institutions that serve as a financial "window" for North Korea and seeks cooperation from relevant countries if there are signs of any suspicious dealings. In 2005 when the BDA was designated as a "primary money-laundering concern" for North Korea, the world's financial institutions were reluctant to have financial dealings with the BDA. Banks in Southeast Asia and China, which engage in financial dealings with North Korea, are on high alert due to their concern that if they ignore Goldberg's request for cooperation, it will invite isolation from the international financial arena.

Goldberg also reportedly focuses on searching for borrowed-name bank accounts through which North Korean leader Kim Jong-il has bought

luxury goods.

Observers say that this will undermine North Korea's financial activities in Malaysia, Singapore and Thailand, the North's three (financial) strongholds in Southeast Asia.

During an August 26 visit to Tokyo, Goldberg said, "We are not just going back to the talks. That's not what the stated goal is. Our goal is a process leading to denuclearization." This indicates his intention to keep sanctions in place until North Korea pursues the denuclearization it had promised in the Joint Statement of September 19, 2005.

By disclosing that Ambassador Bosworth has no plans (to go to North Korea) while stressing Mr. Goldberg's role, the U.S. State Department sent a message to both the ROK and North Korea: For the North, it stressed that the only way to have a dialogue is to return to the denuclearization process, and for the ROK, it expressed the Obama Administration's negative position on unconditionally resuming inter-Korean dialogue.

62%: "ROK AND NORTH KOREAN LEADERS SHOULD MEET IRRESPECTIVE OF THE NORTH'S NUCLEAR ISSUE; 61%: "TOURS TO MT. KUMGANG SHOULD RESUME ONLY AFTER THE NORTH'S APOLOGY"  
(JoongAng Ilbo, August 27, 2009, Page 3)

By Reporter Shin Chang-woon

The JoongAng Ilbo's research team conducted a nationwide telephone

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survey of 1,011 adults over the age of 19 on August 24. The respondents were selected using "quota sampling" based on the demographic variables of gender, age, and region. The poll's margin of error is plus or minus 3.1 percentage points with a 95 percent confidence level in the results. The response rate was 15.3%.

1Q. When should an inter-Korean summit take place?

The two leaders should meet unconditionally to ease the strained inter-Korean relations. 61.9%

The two leaders should meet after seeing some progress on the North Korean nuclear issue. 36.5%

Don't know/No response 1.6%

1Q. When should tours to Mt. Kumgang resume?

They should resume after North Korea apologizes over the shooting death of an ROK tourist by a North Korean soldier and promises to prevent the recurrence of a similar incident. 60.8%

They should resume (before North Korea apologizes) in order to facilitate private-level exchanges. 37.5%

Don't know/No response 1.7%

1Q. How will the death of former President Kim Dae-jung affect inter-Korean relations?

The relations will remain unchanged. 45.1%

The relations will improve. 45.0%

1Q. How will the death of former President Kim Dae-jung affect the Democratic Party?

The Democratic Party will be united. 34.2%

The Democratic Party will remain unchanged. 34.1%

TOKOLA